

SUBCOMMITTEE NO. 2

Agenda

Byron Sher, Chair
Sheila Kuehl
Bruce McPherson



Monday, May 17, 2004
1:30 p.m.
Room 112

Outcomes

(Sher absent)

Part I—Energy Agenda

3360 Energy Resources Conservation Development Commission

1. April Finance Letter

- **Action.** Approve Finance letter.
- **Vote.** 2-0 (Sher)

2. Reappropriation of PVEA Funds

- **Action.** Approve reappropriation budget bill language for PVEA funds to finance Alameda-Contra Costa hydrogen fueling station.
- **Vote.** 2-0 (Sher)

Resources—Environmental Protection—Public Safety—Energy

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3360- *-Reappropriation, Energy Resources Conservation and Development Commission. \$925,000 of the appropriation provided in the following citation is reappropriated for the purposes provided for in the appropriation, and shall be available for encumbrance and expenditure until June 30, 2005.*

(1) Item 3360-001-0853, Budget Act of 2000, for issuing a contract or grant to Alameda-Contra Costa Transit District (AC Transit) for the development and demonstration of a gaseous hydrogen fueling station on AC Transit property for their Fuel Cell Demonstration Program.

3. Extension of Energy Technologies Research, Development and Demonstration Account

- **Action.** Approve trailer bill language to extend account.
- **Vote.** 2-0 (Sher)

Section 25630 of the Public Resources Code is amended to read:

25630. (a) The commission shall establish a small business energy assistance low-interest revolving loan program to fund the purchase of equipment for alternative technology energy projects for California's small businesses.

~~(b) The loan program may use royalty agreements, as provided in Chapter 7.4 (commencing with Section 25645), to replenish program funds beyond the amount of loan repayments. Loan repayments, interest, and royalties shall be deposited in the Energy Technologies Research, Development, and Demonstration Account. The interest rate shall be determined as provided in subdivision (g) of Section 25647: based on surveys of existing financial markets and at rates not lower than the Pooled Money Investment Account. Notwithstanding the expiration of Public Resources Code Chapter 7.8 (commencing with Section 25680), the Controller shall continue to maintain within the General Fund the Energy Technologies Research, Development, and Demonstration Account established under Public Resources Code Section 25683.~~

Section 25650 of the Public Resources Code is amended to read:

25650. (a) All funds from loan repayments and interest that become due and payable for loans made by the commission pursuant to an agriculture energy assistance program shall be deposited in the Energy Technologies Research, Development, and Demonstration Account, and shall be available for loans and technical assistance pursuant to this section, upon appropriation in the Budget Act. Up to 20 percent of the annual appropriation may be available for technical assistance. *Notwithstanding the expiration of Public Resources Code Chapter 7.8 (commencing with Section 25680), the Controller shall continue to maintain within the General Fund the Energy Technologies Research, Development, and Demonstration Account established under Public Resources Code Section 25683.*

(b) Loans made pursuant to this section shall be for the purchase of equipment and services for agriculture energy efficiency and development demonstration projects, including, but not limited to, production of methane or ethanol, use of wind, photovoltaics, and other sources of energy for irrigation pumping, application of load management conservation techniques, improvements in water pumping and pressurization techniques, and conservation tillage techniques.

(c) The loans shall contain terms that provide for a repayment period of not more than

seven years and for interest at a rate that is not less than 2 percent below the rate earned by moneys in the Pooled Money Investment Account.

4. California Climate Action Registry

Action. Held open.

5. Energy Resources Programs Account

Action. Approved transfer of \$12 million ERPA to the General Fund to help address the state's budget problem.

Vote. 2-0 (Sher)

3860 Department of Water Resources (California Energy Resources Scheduling Division)

1. April Finance Letter—Energy Related

Action. Approved Finance letter for all CERS-related items.

Vote. 2-0 (Sher)

2. CERS Administration Support

Action. Approved a reduction in the CERS contingency reserve of \$1.25 million (half) and approved the following budget bill language.

Vote. 2-0 (Sher)

3860-001-3100

Provision X. The department shall notify the chairs of the Joint Legislative Budget Committee prior to expending the \$1,250,000 contingency reserve included in this item.

3. Status of Contract Renegotiations—Informational Item

Action. No action.

8660 California Public Utilities Commission

1. April Finance Letter

Action. Approved April finance letter.

Vote. 2-0 (Sher)

2. California Teleconnect Fund Program

Action.

- (1) No Action.
- (2) No Action.
- (3) Approved supplemental report language directing CPUC to report to the Legislature by February 1, 2005 with (a) an estimate of the program savings resulting from the adoption of the need-based sliding scale for schools and from applying the E-Rate discount prior to any CTF discount, (b) recommendations for alternative uses for CTF funds to most effectively address the Digital Divide, and (c) an estimate of the surcharge level needed to meet the needs of the CTF program. (To be drafted.)

Vote. 2-0 (Sher)

3. Telephonic Reader

Action. Approve Governor's proposal, including trailer bill language.

Government Code

68926.3. Notwithstanding any other provision of law, sixty-five dollars (\$65) of each fee collected in a civil case by the clerk of each court of appeal pursuant to Section 68926 shall be paid into the State Treasury for deposit in a special account in the General Fund to be known as the California State Law Library Special Account, which account is hereby established. Moneys deposited in the California State Law Library Special Account during the 1992-93 fiscal year are hereby appropriated for that fiscal year to the California State Law Library for its support. In fiscal years subsequent to the 1992-93 fiscal year, these moneys shall be available for the support of the California State Law Library upon appropriation thereto by the Legislature in the annual Budget Act. This section shall remain in effect only until January 1, ~~2005~~ 2010, and as of that date, is repealed, unless a later statute which is enacted before that date extends or repeals that date.

Public Utilities Code Sections

270. (a) The following funds are hereby created in the State Treasury:

- (1) The California High-Cost Fund-A Administrative Committee Fund.*
- (2) The California High-Cost Fund-B Administrative Committee Fund.*
- (3) The Universal Lifeline Telephone Service Trust Administrative Committee Fund.*
- (4) The Deaf and Disabled Telecommunications Program Administrative Committee Fund.*
- (5) The Payphone Service Providers Committee Fund.*
- (6) The California Teleconnect Fund Administrative Committee Fund.*

(b) Moneys in the funds may only be expended pursuant to this chapter and upon appropriation in the annual Budget Act. Any appropriation from the California High-Cost Administrative Committee Fund-B for the purposes of the grant program established in Section 276.5 of the Public Utilities Code regarding rural telecommunications infrastructure, may not be made until all of the following events have occurred:

- (1) The United States Supreme Court has decided Iowa Utilities Board v. Federal Communications Commission (219 F.3d 744 (8th Cir.); certiorari granted January 22, 2001).*
- (2) The commission recalculates the statewide average cost to serve a residential line stated in Decision 96-10-066, as it determines to be appropriate.*
- (3) The commission is current on all claims made by carriers for service provided in high-cost areas, except for those claims that the commission is in the process of investigating, contesting, or disallowing.*

(c) Moneys in each fund may not be appropriated, or in any other manner transferred or otherwise diverted, to any other fund or entity, except as provided for in Sections 276 and 276.5 of the Public Utilities Code and Sections 19325 and 19325.1 of the Education Code.

(d) This section shall remain in effect only until January 1, 2006, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2006, deletes or extends that date.

270. (a) The following funds are hereby created in the State Treasury:

(1) The California High-Cost Fund-A Administrative Committee Fund.

(2) The California High-Cost Fund-B Administrative Committee Fund.

(3) The Universal Lifeline Telephone Service Trust Administrative Committee Fund.

(4) The Deaf and Disabled Telecommunications Program Administrative Committee Fund.

(5) The Payphone Service Providers Committee Fund.

(6) The California Teleconnect Fund Administrative Committee Fund.

(b) Moneys in the funds may only be expended pursuant to this chapter and upon appropriation in the annual Budget Act.

(c) Moneys in each fund may not be appropriated, or in any other manner transferred or otherwise diverted, to any other fund or entity, except as provided for in Sections 19325 and 19325.1 of the Education Code.

(d) This section shall become operative on January 1, 2006.

Education Code Section

19325.1. (a) The State Librarian may operate a telephonic reading system, fund the operation of telephonic reading systems operated by qualifying entities, or both.

(b) The telephonic reading system is to be funded from the Deaf and Disabled Telecommunications Program Administrative Committee Fund, pursuant to an appropriation in the annual Budget Act and in accordance with Public Utilities Code 270.

~~(b)~~ (c) As used in this section, the following terms have the following meanings, unless otherwise indicated:

(1) "Telephonic reading system" means a system operated by the State Librarian or a qualifying entity, whereby a caller can hear the reading of material such as newspapers, magazines, newsletters, broadcast media schedules, transit route and schedule information, and other reference or time-sensitive materials, as determined by the operator of the system.

(2) "Qualifying entity" means any agency, instrumentality, or political subdivision of the state or any nonprofit organization whose primary mission is to provide services to people who are blind or visually impaired.

~~(c)~~ (d) Qualifying entities that were eligible, as of January 1, 2001, to receive funds from the State Librarian relating to the operation of a telephonic reading system may continue to receive funding from the State Librarian.

~~(d)~~ (e) The State Librarian, in cooperation with qualifying entities, may expand the type and scope of materials available on telephonic reading systems in order to meet the local, regional, or foreign language needs of print-disabled residents of this state. The State Librarian may also expand the scope of services and availability of telephonic reading services by current methods and technologies or by methods and technologies that may be developed. The State Librarian may inform current and potential patrons of the availability of telephonic reading service through appropriate means, including, but not limited to, direct mailings, direct telephonic contact, and public service announcements.

~~(e)~~ (f) The State Librarian may enter into contracts or other agreements that he or she determines to be appropriate to provide telephonic reading services pursuant to this section.

Vote. 2-0 (Sher)

8665 California Consumer Power and Conservation Financing Authority

1. Future of CPA

Action. No Action.

8770 Electricity Oversight Board

1. Future of Board

Action.

- (1) No Action.
- (2) Adopt the following supplemental report language:

Item 8770-001-0462—Electricity Oversight Board (or its successor)

The board staff shall by January 10, 2005, submit to the chairs and vice chairs of the budget committees and policy committees of both houses of the Legislature reports on the following subjects.

- (a) the reasonableness of costs to California consumers of ISO operations and*
- (b) the susceptibility of California's wholesale electricity market to future failures and recommendations to protect the public from wholesale market failures.*

Vote.

- (1)
- (2) 2-0 (Sher)

Part II—Open Issues

Consent Agenda

3560 State Lands Commission

1. April Finance Letter

Action. Approved April Finance letter.

Vote. 2-0 (Sher)

2. May Revision

Action. Approved May Revision proposal.

Vote. 2-0 (Sher)

3680 Department of Boating and Waterways

1. April Finance Letter

Action. Approved April Finance letter.

Vote. 2-0 (Sher)

3820 San Francisco Bay Conservation and Development Commission

1. May Revision

Action. Approved May Revision proposal.

Vote. 2-0 (Sher)

3900 Air Resources Board

1. May Revision

Action. Approved May Revision proposal.

Vote. 2-0 (Sher)

3910 Integrated Waste Management Board

1. May Revision

Action. Approved May Revision proposal.

Vote. 2-0 (Sher)

0555 Secretary for Environmental Protection

1. Consolidation of Administrative Functions

Action. Approved in concept trailer bill language that accomplishes a consolidation of selected administrative functions at all Cal-EPA boards, departments, and offices. Language to be drafted by staff, the LAO, and the administration.

Vote. 2-0 (Sher)

3480 Department of Conservation

1. April Finance Letter

Action. Approve Finance letter, but increased expenditure authority from the Abandoned Mine Reclamation and Mineral Fund to \$400,000.

Vote. 2-0 (Sher)

2. May Revision

Action. Approved May Revision proposal.

Vote. 2-0 (Sher)

3720 California Coastal Commission

1. Alternative Funding Source for Coastal Commission's Permitting Functions

Action. No Action.

2. April Finance Letter

Action. Approved April Finance letter and adopted following trailer bill language to clarify current law.

Vehicle Code Section 5067

(c) (1) One-half in the California Beach and Coastal Enhancement Account, which is hereby created in the California Environmental License Plate Fund. (a) Upon appropriation by the Legislature, the money in the account shall be allocated by the Controller *first* to the California Coastal Commission for expenditure for the Adopt-A-Beach program, the Beach Cleanup Day program, coastal public education programs, and grants to local governments and nonprofit organizations for the costs of operating and maintaining public beaches related to these programs, **and then, from remaining available funds**, ~~Any funds remaining in the California Beach and Coastal Enhancement Account at the end of a fiscal year shall be allocated by the Controller, after appropriation by the Legislature,~~ to the State Coastal Conservancy for coastal natural resource restoration and enhancement projects and for other projects consistent with the provisions of Division 21 (commencing with Section 31000) of the Public Resources Code.

(2) One-half in the California Environmental License Plate Fund.

Vote. 2-0 (Sher)

End of Hearing.

Did not have time to hear the following departments:

3790 Department of Parks and Recreation

8570 California Department of Food and Agriculture